



QUARTERLY STATEMENT

AS OF JUNE 30, 2006
OF THE CONDITION AND AFFAIRS OF THE

Health Alliance Plan of Michigan

NAIC Group Code	1311	1311	NAIC Company Code	95844	Employer's ID Number	38-2242827
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States of America					
Licensed as business type:	Life, Accident & Health [] Property/Casualty [] Dental Service Corporation [] Vision Service Corporation [] Other [] Health Maintenance Organization [X] Hospital, Medical & Dental Service or Indemnity [] Is HMO, Federally Qualified? Yes [X] No []					
Incorporated/Organized	06/27/1978		Commenced Business	02/08/1979		
Statutory Home Office	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number)			(City or Town, State and Zip Code)		
Main Administrative Office	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	2850 West Grand Boulevard			Detroit, MI 48202		
	(Street and Number or P.O. Box)			(City or Town, State and Zip Code)		
Primary Location of Books and Records	2850 West Grand Boulevard		Detroit, MI 48202		248-443-1093	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Website Address	www.hap.org					
Statutory Statement Contact	Dianna Ronan CPA			248-443-1093		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dronan@hap.org			248-443-8610		
	(E-mail Address)			(FAX Number)		
Policyowner Relations Contact	2850 West Grand Boulevard		Detroit, MI 48202		313-872-8100	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number) (Extension)	

OFFICERS

Name	Title	Name	Title
Francine Parker	President and CEO	Maurice E. McMurray	Secretary
Ronald W. Berry	Treasurer	Colleen McClorey	Assistant Secretary

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Nicholas C. Anderson	Donald W. Boggs	Mary Beth Bolton M.D.	Mary E Bunn #
Herman W. Coleman	William A. Conway M.D.	Dennis H. DePaulis	Mary C. Dickson
John T. Gargaro	Jethro Joseph	Jackie Martin #	Francine Parker
William L. Peirce	Carol Quigley IHM	Catherine A. Roberts	Robin Scales-Wooten
Nancy Schlichting	Gerald K. Smith	Rebecca R. Smith M.D.	

State ofMichigan.....
County ofWayne..... SS

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Francine Parker President and CEO	Maurice E. McMurray Secretary	Ronald W. Berry Treasurer
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Subscribed and sworn to before me this
_____ day of _____,

Roderick I Curry CPA, Notary
August 14 2006

- a. Is this an original filing? Yes [X] No []
- b. If no,
1. State the amendment number _____
2. Date filed _____
3. Number of pages attached _____

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds			0	0
2. Stocks:				
2.1 Preferred stocks			0	0
2.2 Common stocks	125,140,114		125,140,114	125,317,749
3. Mortgage loans on real estate:				
3.1 First liens			0	0
3.2 Other than first liens			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ encumbrances)	3,073,380	2,175,328	898,052	912,611
4.2 Properties held for the production of income (less \$ encumbrances)			0	0
4.3 Properties held for sale (less \$ encumbrances)			0	0
5. Cash (\$ (8,158,049)), cash equivalents (\$ 162,199,143) and short-term investments (\$ 13,000,000)	167,041,094		167,041,094	118,016,875
6. Contract loans, (including \$ premium notes)			0	0
7. Other invested assets	59,803,163	0	59,803,163	59,351,008
8. Receivables for securities			0	0
9. Aggregate write-ins for invested assets	850,773	0	850,773	750,674
10. Subtotals, cash and invested assets (Lines 1 to 9)	355,908,524	2,175,328	353,733,196	304,348,917
11. Title plants less \$ charged off (for Title insurers only)			0	0
12. Investment income due and accrued	705,309		705,309	847,935
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection	26,797,275		26,797,275	32,257,158
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ earned but unbilled premiums)			0	0
13.3 Accrued retrospective premiums			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers			0	0
14.2 Funds held by or deposited with reinsured companies			0	0
14.3 Other amounts receivable under reinsurance contracts			0	0
15. Amounts receivable relating to uninsured plans			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon			0	0
16.2 Net deferred tax asset			0	0
17. Guaranty funds receivable or on deposit			0	0
18. Electronic data processing equipment and software	14,300,105	13,414,458	885,647	1,638,866
19. Furniture and equipment, including health care delivery assets (\$)	1,875,592	1,875,592	0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates			0	0
21. Receivables from parent, subsidiaries and affiliates	1,234,171		1,234,171	1,013,328
22. Health care (\$ 12,488,190) and other amounts receivable	12,488,190		12,488,190	6,815,684
23. Aggregate write-ins for other than invested assets	16,257,084	15,661,847	595,237	788,000
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23)	429,566,250	33,127,225	396,439,025	347,709,889
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
26. Total (Lines 24 and 25)	429,566,250	33,127,225	396,439,025	347,709,889
DETAILS OF WRITE-INS				
0901. Rabbi Trust	850,773		850,773	750,674
0902.				
0903.				
0998. Summary of remaining write-ins for Line 9 from overflow page	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above)	850,773	0	850,773	750,674
2301. Other Receivables	68,111		68,111	302,252
2302. Deferred Compensation	449,282		449,282	407,904
2303. Intangible Asset	2,791,827	2,791,827	0	0
2398. Summary of remaining write-ins for Line 23 from overflow page	12,947,863	12,870,020	77,843	77,843
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above)	16,257,084	15,661,847	595,237	788,000

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ reinsurance ceded)	94,011,826	1,203,440	95,215,266	80,847,424
2. Accrued medical incentive pool and bonus amounts	2,576,430		2,576,430	2,796,505
3. Unpaid claims adjustment expenses	1,220,593		1,220,593	1,101,625
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance	34,930,344		34,930,344	19,402,712
9. General expenses due or accrued	8,097,781		8,097,781	11,557,321
10.1 Current federal and foreign income tax payable and interest thereon (including \$ on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ current) and interest thereon \$ (including \$ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	725,925		725,925	221,118
16. Payable for securities	392,421		392,421	382,853
17. Funds held under reinsurance treaties with (\$ authorized reinsurers and \$ unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ current)	13,169,630	0	13,169,630	10,627,022
22. Total liabilities (Lines 1 to 21)	155,124,950	1,203,440	156,328,390	126,936,579
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX		0
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX		0
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	240,110,636	220,773,309
30. Less treasury stock, at cost:				
30.1 shares common (value included in Line 24)				
\$)	XXX	XXX		0
30.2 shares preferred (value included in Line 25)				
\$)	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	240,110,636	220,773,309
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	396,439,025	347,709,889
DETAILS OF WRITE-INS				
2101. Pension Liability - Long Term	11,679,043		11,679,043	9,149,641
2102. Retiree Health Benefits	1,041,305		1,041,305	1,069,477
2103. Deferred Compensation	449,282		449,282	407,904
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	13,169,630	0	13,169,630	10,627,022
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT AS OF JUNE 30, 2006 OF THE
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STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date
	1 Uncovered	2 Total	3 Total
1. Member Months.....	XXX	2,658,744	2,738,205
2. Net premium income (including \$ non-health premium income).....	XXX	787,589,289	750,975,935
3. Change in unearned premium reserves and reserve for rate credits	XXX		0
4. Fee-for-service (net of \$ medical expenses)	XXX		0
5. Risk revenue	XXX		0
6. Aggregate write-ins for other health care related revenues	XXX	0	0
7. Aggregate write-ins for other non-health revenues	XXX	0	0
8. Total revenues (Lines 2 to 7)	XXX	787,589,289	750,975,935
Hospital and Medical:			
9. Hospital/medical benefits		408,163,889	380,037,138
10. Other professional services			0
11. Outside referrals		20,779,930	9,704,048
12. Emergency room and out-of-area		61,179,979	55,925,064
13. Prescription drugs		119,485,921	134,534,167
14. Aggregate write-ins for other hospital and medical.....	0	109,022,142	99,610,180
15. Incentive pool, withhold adjustments and bonus amounts.....		192,625	926,601
16. Subtotal (Lines 9 to 15)	0	718,824,486	680,737,198
Less:			
17. Net reinsurance recoveries			0
18. Total hospital and medical (Lines 16 minus 17)	0	718,824,486	680,737,198
19. Non-health claims (net).....			0
20. Claims adjustment expenses, including \$ 3,963,418 cost containment expenses.....		9,403,304	9,530,638
21. General administrative expenses.....		45,758,652	48,661,138
22. Increase in reserves for life and accident and health contracts including \$ increase in reserves for life only).....			0
23. Total underwriting deductions (Lines 18 through 22)	0	773,986,442	738,928,974
24. Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	13,602,847	12,046,961
25. Net investment income earned		6,392,269	3,513,436
26. Net realized capital gains (losses) less capital gains tax of \$.....			3,796,629
27. Net investment gains (losses) (Lines 25 plus 26)	0	6,392,269	7,310,065
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)]			0
29. Aggregate write-ins for other income or expenses	0	210,946	288,697
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	20,206,063	19,645,723
31. Federal and foreign income taxes incurred	XXX		0
32. Net income (loss) (Lines 30 minus 31)	XXX	20,206,063	19,645,723
DETAILS OF WRITE-INS			
0601.	XXX		0
0602.	XXX		0
0603.	XXX		0
0698. Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	XXX	0	0
0701.	XXX		0
0702.	XXX		0
0703.	XXX		0
0798. Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799. Totals (Lines 0701 thru 0703 plus 0798) (Line 7 above)	XXX	0	0
1401. Radiology/Lab.....		52,127,018	47,269,189
1402. Ambulance.....		3,511,646	3,245,953
1403. Mental Health & Substance Abuse.....		19,716,771	20,050,521
1498. Summary of remaining write-ins for Line 14 from overflow page	0	33,666,707	29,044,517
1499. Totals (Lines 1401 thru 1403 plus 1498) (Line 14 above)	0	109,022,142	99,610,180
2901. Gain/(Loss) on Sale of Assets.....		(12,771)	(13,349)
2902. Miscellaneous Revenue.....		223,717	302,046
2903.			0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999. Totals (Lines 2901 thru 2903 plus 2998) (Line 29 above)	0	210,946	288,697

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	220,773,309	216,487,720	216,487,720
34. Net income or (loss) from Line 32	20,206,063	19,645,723	34,213,133
35. Change in valuation basis of aggregate policy and claim reserves		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$	(2,609,698)	(388,056)	(3,684,723)
37. Change in net unrealized foreign exchange capital gain or (loss)		0	0
38. Change in net deferred income tax		0	0
39. Change in nonadmitted assets	1,740,961	(24,608)	3,757,180
40. Change in unauthorized reinsurance	0	0	0
41. Change in treasury stock		0	0
42. Change in surplus notes	0	0	0
43. Cumulative effect of changes in accounting principles		0	0
44. Capital Changes:			
44.1 Paid in		0	0
44.2 Transferred from surplus (Stock Dividend)		0	0
44.3 Transferred to surplus		0	0
45. Surplus adjustments:			
45.1 Paid in		0	0
45.2 Transferred to capital (Stock Dividend)	0	0	0
45.3 Transferred from capital		0	0
46. Dividends to stockholders		0	(30,000,000)
47. Aggregate write-ins for gains or (losses) in surplus	0	0	0
48. Net change in capital & surplus (Lines 34 to 47)	19,337,326	19,233,059	4,285,589
49. Capital and surplus end of reporting period (Line 33 plus 48)	240,110,636	235,720,779	220,773,309
DETAILS OF WRITE-INS			
4701. Minimum Pension Liability Adjustment.....		0	0
4702.		0	0
4703.		0	0
4798. Summary of remaining write-ins for Line 47 from overflow page	0	0	0
4799. Totals (Lines 4701 thru 4703 plus 4798) (Line 47 above)	0	0	0

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
Cash from Operations		
1. Premiums collected net of reinsurance.....	808,576,805	1,490,591,806
2. Net investment income	6,423,909	8,839,795
3. Miscellaneous income	457,858	425,318
4. Total (Lines 1 to 3)	815,458,572	1,499,856,919
5. Benefits and loss related payments	704,676,719	1,391,041,799
6. Net transfers to Separate, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions	50,100,323	100,687,541
8. Dividends paid to policyholders		0
9. Federal and foreign income taxes paid (recovered) \$ net of tax on capital gains (losses)	0	0
10. Total (Lines 5 through 9)	754,777,042	1,491,729,341
11. Net cash from operations (Line 4 minus Line 10)	60,681,530	8,127,578
Cash from Investments		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds	0	0
12.2 Stocks	0	129,871,774
12.3 Mortgage loans	0	0
12.4 Real estate	0	0
12.5 Other invested assets	32,113	88,347
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
12.7 Miscellaneous proceeds	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7)	32,113	129,960,121
13. Cost of investments acquired (long-term only):		
13.1 Bonds	0	0
13.2 Stocks	2,432,063	101,610,884
13.3 Mortgage loans	0	0
13.4 Real estate	0	0
13.5 Other invested assets	0	58,153,058
13.6 Miscellaneous applications	90,530	436,936
13.7 Total investments acquired (Lines 13.1 to 13.6)	2,522,593	160,200,878
14. Net increase (or decrease) in contract loans and premium notes	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14)	(2,490,480)	(30,240,757)
Cash from Financing and Miscellaneous Sources		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	0
16.3 Borrowed funds	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
16.5 Dividends to stockholders	0	30,000,000
16.6 Other cash provided (applied).....	(9,166,830)	6,364,540
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6)	(9,166,830)	(23,635,460)
RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18. Net change in cash, cash equivalents and short-term investments (Line 11 plus Lines 15 and 17)	49,024,219	(45,748,639)
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	118,016,875	163,765,513
19.2 End of period (Line 18 plus Line 19.1)	167,041,094	118,016,875

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION

	1	Comprehensive (Hospital & Medical)		4	5	6	7	8	9	10	11	12	13
		2	3										
	Total	Individual	Group	Medicare Supplement	Vision Only	Dental Only	Federal Employees Health Benefit Plan	Title XVIII Medicare	Title XIX Medicaid	Stop Loss	Disability Income	Long-Term Care	Other
Total Members at end of:													
1. Prior Year	449,656	5,176	377,538	23,741	.0	.0	26,199	17,002	.0	.0	.0	.0	.0
2 First Quarter	443,766	4,887	372,201	21,779	.0	.0	26,216	18,683	.0	.0	.0	.0	.0
3 Second Quarter	440,932	4,653	369,058	21,466			26,257	19,498					
4. Third Quarter	0												
5. Current Year	0												
6 Current Year Member Months	2,658,744	29,168	2,228,757	130,577			157,526	112,716					
Total Member Ambulatory Encounters for Period:													
7. Physician	817,380												817,380
8. Non-Physician	411,984												411,984
9. Total	1,229,364	0	0	0	0	0	0	0	0	0	0	0	1,229,364
10. Hospital Patient Days Incurred	86,830		48,934	22,281				15,223					392
11. Number of Inpatient Admissions	19,427		12,631	3,839				2,884					73
12. Health Premiums Written	808,576,805	6,704,756	591,299,411	54,598,940			41,063,480	114,910,218					
13. Life Premiums Direct	0												
14. Property/Casualty Premiums Written	0												
15. Health Premiums Earned	787,604,951	6,818,514	586,227,181	54,598,940			40,827,571	99,132,745					
16. Property/Casualty Premiums Earned	0												
17. Amount Paid for Provision of Health Care Services	704,676,718	6,074,318	522,244,299	47,839,758			41,163,132	87,355,211					
18. Amount Incurred for Provision of Health Care Services	718,824,486	6,157,370	529,384,752	48,260,234			40,774,495	94,247,635					

CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

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STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

UNDERWRITING AND INVESTMENT EXHIBIT
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5 Claims Incurred in Prior Years (Columns 1 + 3)	6 Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1 On Claims Incurred Prior to January 1 of Current Year	2 On Claims Incurred During the Year	3 On Claims Unpaid Dec. 31 of Prior Year	4 On Claims Incurred During the Year		
1. Comprehensive (hospital & medical)	51,410,584	476,495,333	5,761,162	73,901,459	57,171,746	72,219,041
2. Medicare Supplement	2,894,176	44,945,582	733,025	3,888,521	3,627,201	4,201,070
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan	3,394,569	37,768,564	371,592	3,557,084	3,766,161	4,317,313
6. Title XVIII - Medicare		87,355,211		7,002,423	0	110,000
7. Title XIX - Medicaid					0	0
8. Other Health					0	0
9. Health Subtotal (Lines 1 to 8).....	57,699,329	646,564,690	6,865,779	88,349,487	64,565,108	80,847,424
10. Healthcare receivables (a)					0	0
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	412,700		2,383,805	192,625	2,796,505	2,796,505
13. Totals	58,112,029	646,564,690	9,249,584	88,542,112	67,361,613	83,643,929

(a) Excludes \$ loans and advances to providers not yet expensed.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Accounting Practices - No change.
- B. Use of Estimates in the Preparation of the Financial Statements - No change.
- C. Accounting Policy - No change.

2. ACCOUNTING CHANGES AND CORRECTIONS OF ERRORS

- A. Material changes in accounting principles and/or correction of errors - Not applicable.
- B. The cumulative effect of changes in accounting principles - Not applicable.

3. BUSINESS COMBINATIONS AND GOODWILL

- A. Statutory Purchase Method - Not applicable.
- B. Statutory Merger - Not applicable.
- C. Assumption Reinsurance - Not applicable.
- D. Impairment Loss - Not applicable.

4. DISCONTINUED OPERATIONS

Not applicable.

5. INVESTMENTS

- A. Mortgage Loans, including Mezzanine Real Estate Loans - Not applicable.
- B. Debt Restructuring - Not applicable.
- C. Reverse Mortgages - Not applicable.
- D. Loan-Backed Securities - Not applicable.
- E. For repurchase agreements, Company policies require a minimum of 102% of the fair value of securities purchased under repurchase agreements to be maintained as collateral.
- F. Real Estate - No change.

6. JOINT VENTURES, PARTNERSHIPS AND LIMITED LIABILITY COMPANIES

No change.

7. INVESTMENT INCOME

- A. The bases for excluding (nonadmitting) any investment income due and accrued - Not applicable.
- B. The total amount of investment income excluded - Not applicable.

8. DERIVATIVE INSTRUMENTS

Not applicable.

9. INCOME TAXES

Not applicable.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES AND AFFILIATES

No change.

11. DEBT

Not applicable.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES AND OTHER POSTRETIREMENT BENEFIT PLANS

No change.

NOTES TO FINANCIAL STATEMENTS

13. CAPITAL AND SURPLUS, SHAREHOLDER' DIVIDEND RESTRICTIONS AND QUASI-REORGANIZATIONS

- A. The Corporation has no common stock.
- B. The Corporation has no preferred stock.
- C. The Corporation has no restrictions on unassigned funds (surplus).
- D. The Corporation holds 1,500,000 shares of AHLIC stock with a par value of \$1,500,000.
- E. The Corporation has no surplus notes outstanding.
- F. The Corporation has no quasi-reorganization to report.

14. CONTINGENCIES

No change.

15. LEASES

No change.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

Not applicable.

17. SALE, TRANSFER AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

Not applicable.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY UNINSURED PLANS

- A. ASO Plans - Not applicable.
- B. ASC Plans - Not applicable.
- C. Medicare or Similarly Structured Cost Based Reimbursement Contract - Not applicable.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD PARTY ADMINISTRATION

Not applicable.

20. SEPTEMBER 11 EVENTS

Not applicable.

21. OTHER ITEMS

- A. Extraordinary Items - Not applicable.
- B. Troubled Debt Restructuring - Not applicable.
- C. Other Disclosures - Not applicable.
- D. At June 30, 2006 and December 31, 2005 the Company had admitted assets of \$26,797,275 and \$32,257,158, respectively, in Uncollected Premiums. The Company routinely assesses the collectibility of these receivables. Based upon Company experience, less than 1% of the balance may become uncollectible and the potential loss is not material to the Company's financial condition.
- E. Business Interruption Insurance Recoveries - Not applicable.

22. EVENTS SUBSEQUENT

Not applicable.

NOTES TO FINANCIAL STATEMENTS

23. REINSURANCE

- A. Ceded Reinsurance Report - Not applicable.
- B. Uncollectible Reinsurance - Not applicable.
- C. Commutation of Ceded Reinsurance - Not applicable.

24. RETROSPECTIVELY RATED CONTRACTS & CONTRACTS SUBJECT TO REDETERMINATION

Not applicable.

25. CHANGE IN INCURRED CLAIMS AND CLAIM ADJUSTMENT EXPENSES

Not applicable.

26. INTERCOMPANY POOLING ARRANGEMENTS

Not applicable.

27. STRUCTURED SETTLEMENTS

Not applicable.

28. HEALTHCARE RECEIVABLES

- A. Pharmaceutical Rebate Receivables (dollars in thousands)

Quarter	Estimated Pharmacy Rebates as Reported on Financial Statements	Pharmacy Rebates as Billed or Otherwise Confirmed	Actual Rebates Received Within 90 Days of Billing	Actual Rebates Received Within 91 to 180 Days of Billing	Actual Rebates Received More than 180 Days after Billing
06/30/2006	1,571	1,783			
03/31/2006	1,631	1,842	2,301		
12/31/2005	1,627	1,892	2,126	144	
09/30/2005	1,047	1,166	1,071	366	
06/30/2005	952	1,086	986	239	
03/31/2005	937	1,154	962	22	305
12/31/2004	923	1,129	927	9	416
09/30/2004	878	1,096	1,049	28	1
06/30/2004	876	1,352	1,221	12	
03/31/2004	924	1,223	1,139	113	
12/31/2003	942	1,304	943	114	117
09/30/2003	943	1,289	976	132	127
06/30/2003	953	1,196	971	17	6
03/31/2003	961	1,032	759	185	134

- B. Risk Sharing Receivables (dollars in thousands)

Calendar Year	Evaluation Period Year Ending	Risk Sharing Recv'ble as Estimated in the Prior Year	Risk Sharing Recv'ble as Estimated in the Current Year	Risk Sharing Recv'ble Billed	Risk Sharing Recv'ble Not Yet Billed	Actual Risk Sharing Amounts Received in Year Billed	Actual Risk Sharing Amounts Received First Year Subseqnt	Actual Risk Sharing Amounts Received 2nd Year Subseqnt	Actual Risk Sharing Amounts Received All Other
2006	2006 2007	XXX XXX	1,162 XXX		1,162 XXX				
2005	2005 2006	3,372 XXX	7,978 XXX		7,978 XXX				

NOTES TO FINANCIAL STATEMENTS

29. PARTICIPATING POLICIES

Not applicable.

30. PREMIUM DEFICIENCY RESERVES

Not applicable.

31. ANTICIPATED SALVAGE AND SUBROGATION

Not applicable.

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes [☐] No [X]
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes [☐] No [☐]

- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes [☐] No [X]

- 2.2

If yes, date of change:

If not previously filed, furnish herewith a certified copy of the instrument as amended.

3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes [☐] No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes [☐] No [X]

- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes [☐] No [☐] NA [X]

If yes, attach an explanation.

- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2002

- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2002

- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/11/2004

- 6.4

By what department or departments?
The Michigan Office of Financial and Insurance Services.....

- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?.....

Yes [☐] No [X]

- 7.2

If yes, give full information:
.....

- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?.....

Yes [☐] No [X]

- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
.....

- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?.....

Yes [☐] No [X]

- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

GENERAL INTERROGATORIES

FINANCIAL

- 9.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No []
- 9.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$863,809

INVESTMENT

- 10.1 Has there been any change in the reporting entity's own preferred or common stock? Yes [] No [X]
- 10.2 If yes, explain:
.....

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) Yes [] No [X]
- 11.2 If yes, give full and complete information relating thereto:
.....

12. Amount of real estate and mortgages held in other invested assets in Schedule BA:\$
13. Amount of real estate and mortgages held in short-term investments:\$

- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates? Yes [X] No []
- 14.2 If yes, please complete the following:

		1		2
		Prior Year-End Book/Adjusted Carrying Value		Current Quarter Statement Value
14.21	Bonds	\$	\$	
14.22	Preferred Stock	\$	\$	
14.23	Common Stock	\$26,702,976	\$26,745,403	
14.24	Short-Term Investments	\$	\$	
14.25	Mortgage Loans on Real Estate	\$	\$	
14.26	All Other	\$	\$	
14.27	Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$26,702,976	\$26,745,403	
14.28	Total Investment in Parent included in Lines 14.21 to 14.26 above	\$	\$	

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB? Yes [] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [] No []
- If no, attach a description with this statement.

16. Excluding items in Schedule E, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Part 1 - General, Section IV.H - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No []
- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1	2
Name of Custodian(s)	Custodian Address
Comerica Bank NA.....	Detroit Michigan.....
The Northern Trust Company.....	Chicago Illinois.....
JPMorgan Chase.....	New York NY.....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1	2	3
Name(s)	Location(s)	Complete Explanation(s)
Not applicable.....		

- 16.3 Have there been any changes, including name changes in the custodian(s) identified in 16.1 during the current quarter? Yes [] No [X]
- 16.4 If yes, give full and complete information relating thereto:

1	2	3	4
Old Custodian	New Custodian	Date of Change	Reason
Not applicable.....			

- 16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1	2	3
Central Registration Depository	Name(s)	Address
not applicable.....	Brian Gamble.....	Detroit Michigan.....
70923.....	Calvin Johnson.....	Chicago Illinois.....
107247.....	Joe Wich.....	Detroit Michigan.....
7691.....	Susan Renaud.....	Detroit Michigan.....
110441.....	Sandy Goodman.....	Pasadena California.....
126292.....	Joe Gasky.....	Charlotte North Carolina.....

GENERAL INTERROGATORIES

- 17.1 Have all the filing requirements of the *Purposes and Procedures Manual* of the NAIC Securities Valuation Office been followed?

Yes ☒ No ☐
- 17.2 If no, list exceptions:
.....

SCHEDULE A - VERIFICATION

Real Estate		
	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	3,410,393	3,890,907
2. Increase (decrease) by adjustment	(403,776)	(788,580)
3. Cost of acquired		0
4. Cost of additions to and permanent improvements	66,762	308,067
5. Total profit (loss) on sales		0
6. Increase (decrease) by foreign exchange adjustment		0
7. Amount received on sales		0
8. Book/adjusted carrying value at end of current period	3,073,380	3,410,393
9. Total valuation allowance		0
10. Subtotal (Lines 8 plus 9)	3,073,380	3,410,393
11. Total nonadmitted amounts	2,175,328	2,497,782
12. Statement value, current period (Page 2, real estate lines, Net Admitted Assets column)	898,052	912,611

SCHEDULE B – VERIFICATION

Mortgage Loans		
	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest on mortgages owned, December 31 of prior year.....	0	0
2. Amount loaned during period:		
2.1. Actual cost at time of acquisitions		0
2.2. Additional investment made after acquisitions		0
3. Accrual of discount and mortgage interest points and commitment fees		0
4. Increase (decrease) by adjustment		0
5. Total profit (loss) on sale		0
6. Amounts paid on account or in full during the period		0
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book value/recorded investment excluding accrued interest on mortgages owned at end of current period	0	0
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	0	0
12. Total nonadmitted amounts		0
13. Statement value of mortgages owned at end of current period (Page 2, mortgage lines, Net Admitted Assets column)	0	0

SCHEDULE BA – VERIFICATION

Other Invested Assets		
	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of long-term invested assets owned, December 31 of prior year.....	59,351,008	0
2. Cost of acquisitions during period:		
2.1. Actual cost at time of acquisitions		58,129,607
2.2. Additional investment made after acquisitions		23,451
3. Accrual of discount		0
4. Increase (decrease) by adjustment	483,441	1,285,316
5. Total profit (loss) on sale	827	981
6. Amounts paid on account or in full during the period	32,113	88,347
7. Amortization of premium		0
8. Increase (decrease) by foreign exchange adjustment		0
9. Book/adjusted carrying value of long-term invested assets at end of current period	59,803,163	59,351,008
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	59,803,163	59,351,008
12. Total nonadmitted amounts		0
13. Statement value of long-term invested assets at end of current period (Page 2, Line 7, Column 3)	59,803,163	59,351,008

SCHEDULE D – VERIFICATION

Bonds and Stocks		
	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	125,317,749	190,511,820
2. Cost of bonds and stocks acquired	2,432,063	101,610,884
3. Accrual of discount		0
4. Increase (decrease) by adjustment	(2,609,698)	(40,729,409)
5. Increase (decrease) by foreign exchange adjustment		0
6. Total profit (loss) on disposal		3,796,229
7. Consideration for bonds and stocks disposed of		129,871,774
8. Amortization of premium		0
9. Book/adjusted carrying value, current period	125,140,114	125,317,749
10. Total valuation allowance		0
11. Subtotal (Lines 9 plus 10)	125,140,114	125,317,749
12. Total nonadmitted amounts		0
13. Statement value	125,140,114	125,317,749

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
BONDS								
1. Class 1	13,000,000				13,000,000	13,000,000	.0	13,000,000
2. Class 2 .....	.0				.0	.0	.0	.0
3. Class 3 .....	.0				.0	.0	.0	.0
4. Class 4 .....	.0				.0	.0	.0	.0
5. Class 5 .....	.0				.0	.0	.0	.0
6. Class 6	0				0	0	0	0
7. Total Bonds	13,000,000	0	0	0	13,000,000	13,000,000	0	13,000,000
PREFERRED STOCK								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds and Preferred Stock	13,000,000	0	0	0	13,000,000	13,000,000	0	13,000,000

SCHEDULE DA - PART 1

Short-Term Investments Owned End of Current Quarter					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
8299999 Totals	13,000,000	XXX	13,000,000	266,918	

SCHEDULE DA - PART 2- VERIFICATION

Short-Term Investments Owned		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	13,000,000	13,000,000
2. Cost of short-term investments acquired		14,870,072
3. Increase (decrease) by adjustment .....		.0
4. Increase (decrease) by foreign exchange adjustment .....		.0
5. Total profit (loss) on disposal of short-term investments .....		.0
6. Consideration received on disposal of short-term investments		14,870,072
7. Book/adjusted carrying value, current period	13,000,000	13,000,000
8. Total valuation allowance .....		.0
9. Subtotal (Lines 7 plus 8)	13,000,000	13,000,000
10. Total nonadmitted amounts .....		.0
11. Statement value (Lines 9 minus 10)	13,000,000	13,000,000
12. Income collected during period	257,834	455,026
13. Income earned during period	266,918	475,637

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule S

NONE

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1	2	Direct Business Only Year-to-Date						
			3	4	5	6	7	8	
	Guaranty Fund (Yes or No)	Is Insurer Licensed? (Yes or No)	Accident and Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life and Annuity Premiums and Deposit-Type Contract Funds	Property/Casualty Premiums	
1. Alabama	AL	No							
2. Alaska	AK	No							
3. Arizona	AZ	No							
4. Arkansas	AR	No							
5. California	CA	No							
6. Colorado	CO	No							
7. Connecticut	CT	No							
8. Delaware	DE	No							
9. District of Columbia	DC	No							
10. Florida	FL	No							
11. Georgia	GA	No							
12. Hawaii	HI	No							
13. Idaho	ID	No							
14. Illinois	IL	No							
15. Indiana	IN	No							
16. Iowa	IA	No							
17. Kansas	KS	No							
18. Kentucky	KY	No							
19. Louisiana	LA	No							
20. Maine	ME	No							
21. Maryland	MD	No							
22. Massachusetts	MA	No							
23. Michigan	MI	Yes	644,862,579	99,132,745		40,827,571			
24. Minnesota	MN	No							
25. Mississippi	MS	No							
26. Missouri	MO	No							
27. Montana	MT	No							
28. Nebraska	NE	No							
29. Nevada	NV	No							
30. New Hampshire	NH	No							
31. New Jersey	NJ	No							
32. New Mexico	NM	No							
33. New York	NY	No							
34. North Carolina	NC	No							
35. North Dakota	ND	No							
36. Ohio	OH	No							
37. Oklahoma	OK	No							
38. Oregon	OR	No							
39. Pennsylvania	PA	No							
40. Rhode Island	RI	No							
41. South Carolina	SC	No							
42. South Dakota	SD	No							
43. Tennessee	TN	No							
44. Texas	TX	No							
45. Utah	UT	No							
46. Vermont	VT	No							
47. Virginia	VA	No							
48. Washington	WA	No							
49. West Virginia	WV	No							
50. Wisconsin	WI	No							
51. Wyoming	WY	No							
52. American Samoa	AS	No							
53. Guam	GU	No							
54. Puerto Rico	PR	No							
55. U.S. Virgin Islands	VI	No							
56. Northern Mariana Islands	MP								
57. Canada	CN	No							
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0	0	0
59. Subtotal		XXX	644,862,579	99,132,745	0	40,827,571	0	0	0
60. Reporting entity contributions for Employee Benefit Plans		XXX	2,782,056						
61. Total (Direct Business)		XXX (a)	647,644,635	99,132,745	0	40,827,571	0	0	0
DETAILS OF WRITE-INS									
5801.									
5802.									
5803.									
5898. Summary of remaining write-ins for Line 58 from overflow page			0	0	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)			0	0	0	0	0	0	0

(a) Insert the number of yes responses except for Canada and other Alien.

Schedule Y - Part 1

NONE

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

OVERFLOW PAGE FOR WRITE-INS

MQ002 Additional Aggregate Lines for Page 02 Line 23.
*ASSETS

	1	2	3	4
	Assets	Nonadmitted Assets	Net Admitted Assets (Cols. 1 - 2)	Prior Year Net Admitted Assets
2304. Goodwill.....	11,184,847	11,184,847	0	0
2305. Prepaid Expense.....	1,685,173	1,685,173	0	0
2306. Other Assets.....	77,843		77,843	77,843
2397. Summary of remaining write-ins for Line 23 from Page 02	12,947,863	12,870,020	77,843	77,843

MQ004 Additional Aggregate Lines for Page 04 Line 14.
*REVEX1

	1	2	3
	Uncovered	Total	Total
1404. Other.....		33,666,707	29,044,517
1405.		0	0
1497. Summary of remaining write-ins for Line 14 from Page 04	0	33,666,707	29,044,517

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 1

NONE

Schedule B - Part 2

NONE

SCHEDULE BA - PART 1

[illegible]

STATEMENT AS OF JUNE 30, 2006 OF THE
Health Alliance Plan of Michigan

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets SOLD, Transferred or Paid in Full During the Current Quarter

1	2	Location		5	6	7	8	9	10	11	12	13	14	15
		3	4											
CUSIP Identification	Name or Description	City	State	Name of Purchaser or Nature of Disposal	Date Originally Acquired	Book/ Adjusted Carrying Value Less Encumbrances, Prior Year	Increase (Decrease) by Adjustment	Increase (Decrease) by Foreign Exchange Adjustment	Book/ Adjusted Carrying Value Less Encumbrances on Disposal	Consideration Received	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Investment Income
000000-00-0	WESTERN ASSETS US CORE PLUS	WILMINGTON	DE	NOT APPLICABLE	02/15/2005	138			138	142		3	3	
2999999 - Any Other Class of Assets - Unaffiliated						138			138	142		3	3	
3199999 – Total Unaffiliated						138	0	0	138	142	0	3	3	0
3299999 – Total Affiliated						0	0	0	0	0	0	0	0	0
3399999 Totals						138	0	0	138	142	0	3	3	0

SCHEDULE D - PART 3

[illegible]

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues123,480

E04

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

SCHEDULE E - PART 1 - CASH

E08

SCHEDULE E - PART 2 CASH EQUIVALENTS

[illegible]